

## Connecticut Association of Tax Collectors

Testimony Opposing

### HB 5114 AA Authorizing Municipalities to Negotiate the Payment of Delinquent Property Taxes and SB 80 AAC a Delinquent Property Tax Amnesty Program.

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This testimony concerns **HB 5114**, An Act Authorizing Municipalities to Negotiate the Payment of Delinquent Property Taxes; and **SB 0080**, An Act Concerning a Delinquent Property Tax Amnesty Program, both of which are similar in intent. The Connecticut Tax Collectors' Association Inc and its members oppose these measures.

Connecticut municipalities rely heavily upon property tax collections to fund municipal budgets and provide the services constituents have come to expect, most notably public education and public safety. Municipal tax collectors bear the responsibility for collecting in some cases 90-95% of a municipality's annual revenue. This responsibility is taken very seriously and Connecticut tax collectors, both elected and appointed, strive to achieve a high level of professionalism, brought about by uniform application of the laws and a commitment to efficiency and effectiveness.

Every day, we tax collectors balance compassion for our constituents who are having a difficult time meeting their tax obligations, with our sworn obligation to follow the law and collect what is due, revenue needed in a very real and immediate way to fund the operations of our municipalities.

Our difficult jobs are made somewhat easier by our strict reliance on statutes which clearly give no room for favoritism or special treatment. The 'ad valorem' ('according to value') property tax structure is based upon the concept of equity; that a taxpayer is responsible for his 'fair share' and that we collect only that which is rightly due. Our towns revalue property at statutory intervals in order to ensure equity. We are required to bill and to make demand for payment and we follow strict rules when enforcing collection. Taxpayers know that when they are charged interest because they are late in paying, that they are being treated exactly the same as others similarly situated, and that the person coming into the office after they leave also will be similarly treated. Nobody is going to get special treatment. Nobody is going to get a 'break.'

And if our integrity is to remain what it is, that is how it should be. The same is true for enforcement. Taxpayers know that if a lien is being filed because they are late in paying, their neighbor who is in the same position is being treated the same. If a taxpayer owes back taxes and now needs to register a car; if an account meets the established criteria for being turned over to a state marshal for collection, or for tax sale or seizure, the taxpayer knows they are not being singled out, and somebody else who owes the same amount or more is not being given a 'break' or being allowed to go without meeting his or her obligation.

To allow a municipal tax collector to 'negotiate' tax payment amounts would allow municipal tax collectors too much discretion; would serve no public purpose, and would greatly imperil the revenue stream upon which municipalities depend. Tax collectors would be open to criticism (deserved or undeserved) for granting special favors to political friends, relatives, fellow employees, or "squeaky wheels". The potential for conflict of interest and the erosion of public trust is enormous. A single official should not have the power to compromise a municipal budget based on whoever has a sympathetic story or good haggling skills.

Similar arguments can be made against amnesty proposals. Our own history has proven that property tax 'amnesty' programs are ill advised, because their long term effect is in fact the exact opposite of what they are supposed to achieve. Instead of generating revenue and achieving compliance, they serve only to reward the scofflaw. Amnesty penalizes the person who paid prior to the amnesty, who rightly now feels like a 'chump' for having met his obligation earlier. And going forward, amnesty actually promotes future delinquency by igniting the hope of a future amnesty and making it less likely that the person will pay without the 'carrot' of amnesty being offered. This decreases revenue and serves to punish the on time taxpayer by inflicting a higher tax burden on him, as he is made responsible for covering the shortfall. Imposing higher taxes on the on time responsible taxpayer, who already feels he is paying more than his fair share, is inequitable and again erodes the public's confidence in the tax system.

Our members respectfully ask this Committee and all our legislators to reconsider these ideas. Allow us to treat all our taxpayers equally under the law. Do not place upon us the burden of attempting to determine who should be treated, to paraphrase George Orwell, 'more equal than others.'

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Chairman, CCMC (Certification) Committee